

Calendar No. 317

111TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ 111-163

CONGRESSIONAL AWARD PROGRAM
REAUTHORIZATION ACT OF 2009

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 2865

TO REAUTHORIZE THE CONGRESSIONAL AWARD ACT (2 U.S.C. 801
ET SEQ.), AND FOR OTHER PURPOSES



MARCH 15, 2010.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

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MARCH 15, 2010.—Ordered to be printed

Mr. LIEBERMAN, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 2865]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 2865) to reauthorize the Congressional Award Act (2 U.S.C. 801 et seq.), and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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I. PURPOSE AND SUMMARY

S. 2865 reauthorizes the Congressional Award Program (“the Program”) through October 1, 2013. Designed to promote initiative, achievement, and excellence among the youth of America, the Program arranges for medals to be awarded to young people who have satisfied specified standards of achievement. Members of Congress sit on the Board that administers the program and participate in the presentation of awards.

II. BACKGROUND

The Congressional Award Act (Public Law 96–114), initially sponsored by Senator Malcolm Wallop (R–WY) and Representative James J. Howard (D–NJ), was enacted on November 16, 1979. Under the Congressional Award Program established by the Act, young people between the ages of 14 and 23 earn awards by completing hours of effort in each of four areas of achievement—volunteer public service, personal development, physical fitness, and expedition/exploration. The Award is non-competitive, and participants, with the guidance of adult advisors, establish their own goals and work to achieve them. Depending on the number of hours they complete, participants earn Bronze, Silver, and Gold certificates or Bronze, Silver, and Gold medals. Members of the House and Senate recognize their constituents who earn Bronze and Silver medals at in-state ceremonies, and Gold-medal winners are recognized at an annual ceremony in the Capitol presided over by House and Senate leadership. In fiscal year 2009, 2922 participants were recognized with certificates, and 1640 received medals, including 267 who earned gold medals.

A 25-member Board administers the Congressional Award Program. Twenty-four of the members are appointed by Congressional leadership—six by each of the Majority Leader of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives. The Director of the Board, appointed by a majority vote of the Board, is the principal executive of the Program and sits as a non-voting member of the Board. By statute, four of the Board members must be Members of Congress. At present, Senator Max Baucus, Senator Johnny Isakson, Representative Gus Bilirakis, and Representative Sheila Jackson Lee are the Members of Congress appointed to the Board. Pursuant to the Act, the Board incorporated a private, nonprofit, tax-exempt organization (qualified under section 501(c)(3) of the Internal Revenue Code), called the Congressional Award Foundation. Financial sponsors of the Program include business corporations, charitable foundations, labor unions, and individuals. The Foundation also receives a small amount of in-kind services from the federal government. As the patron of the Congressional Award program, the U.S. Congress provides office space in a House Office Building and an annual audit by the Government Accountability Office (GAO). The award medals are designed and struck by the U.S. Mint.¹

The Act has been reauthorized several times since Public Law 96–114 first established the Board for a 6-year period. Public Law 99–161, the Congressional Award Amendments of 1985 reauthorized the Board for an additional three years. Public Law 100–674, the Congressional Award Act Amendments of 1988, reauthorized the Act for an additional 2 years, contingent upon the Board complying with newly established reporting requirements. Public Law 101–525, the Congressional Award Amendments of 1990, extended

¹In the cost estimate prepared by the Congressional Budget Office (CBO) for S. 2685, CBO estimated that the Board's use of House Office Building space and services costs less than \$500,000 a year, and the U.S. Mint's production of Congressional Award medals costs less than \$500,000 a year. These costs are under the threshold below which CBO does not report more precise estimates. Estimates provided to the Committee by the U.S. Mint indicate that its costs are under \$202,000 annually.

the Act for an additional 2-year period, until October 1, 1992. Public Law 102–457, the Congressional Award Act Amendments of 1992, extended the Act for a 3-year period, and Public Law 104–208 extended the Act for a 4-year period. Public Law 106–63 extended the Act for 5 years, until October 1, 2004. Public Law 109–43 extended the Act for four years, until October 1, 2009.

The Congressional Award Program has grown substantially in recent years, with the number of participants increasing from approximately 20,000 in 2005 to over 27,000 at in 2009. There are also more than 2,000 adult mentors involved in the program. By statute, GAO audits the Foundation’s financial statements annually and has issued generally favorable reports. The Committee believes that the Congressional Award Program performs a valuable service, at minimal cost to the taxpayer, encouraging initiative, achievement, public service, and personal development in the Nation’s youth, as well as providing an opportunity for service for the adult volunteers. The Committee therefore supports and recommends reauthorization of the Program.

III. LEGISLATIVE HISTORY

On December 10, 2009, Senator Lieberman and Senator Collins introduced S. 2865, which was referred to the Committee on Homeland Security and Governmental Affairs. The Committee considered the bill on December 16, 2009 and ordered the bill reported by voice vote without amendment. Members present for the vote on the bill were Senators Lieberman, Akaka, Carper, Pryor, McCaskill, Tester, Burriss, Kirk, and Collins.

IV. SECTION-BY-SECTION ANALYSIS

Section 1. This section designates the short title of the bill as the “Congressional Award Program Reauthorization Act of 2009”.

Section 2. This section clarifies the terms of members of the Board by specifying that new terms of board members shall begin on October 1. It also requires that the terms of board members be staggered such that half of the positions expire in each even numbered year. It also states that if the program is found to not be in compliance with requirements in the Act regarding financial operations, as determined by the Comptroller General, the Board shall instruct the Director to take such actions as may be necessary to correct such deficiencies, and shall remove and replace the Director if such deficiencies are not promptly corrected. This section permits the Board to apply for Federal grants, and requires that Statewide Councils comply with certain financial management methods in order to ensure proper accounting of funds. Section 2 also amends the Congressional Award Act to reauthorize the program until October 1, 2013. The Section also makes other technical changes to the structure of the Board. The Congressional Award Program Reauthorization Act of 2009 is retroactive to the termination date established by Public Law 109–43, September 30, 2009.

V. ESTIMATED COST OF LEGISLATION

JANUARY 13, 2010.

Hon. JOSEPH I. LIEBERMAN,
Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 2865, the Congressional Award Program Reauthorization Act of 2009.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

S. 2865—Congressional Award Program Reauthorization Act of 2009

S. 2865 would reauthorize the Congressional Award Act through fiscal year 2012 (the act expired on October 1, 2009). The legislation also would make technical changes to the award program that would affect the terms of board members and the program's financial operations, including the ability to apply for and accept federal grants. The bill would authorize the creation of a foundation to raise money for the program. The Congressional Award Program recognizes excellence in public service and personal development among young people. The program is overseen by the Congressional Award Board, a nonprofit organization that receives no direct federal funding.

Under S. 2865, the Congressional Award Board would continue to receive in-kind services from the federal government, including office space in the Ford House Office Building and an annual audit by the Government Accountability Office. CBO estimates that the board's continued use of such services would cost less than \$500,000 a year in appropriated funds.

In addition, those recognized by the Congressional Award Program are awarded medals produced by the U.S. Mint. Based on information from the board and the Mint, CBO estimates that reauthorizing the program would increase direct spending from the U.S. Mint Public Enterprise Fund by less than \$500,000 annually.

S. 2865 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

VI. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill. The enactment of this legislation will not have a significant regulatory impact.

VII. CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic and existing law, in which no change is proposed, is shown in roman):

UNITED STATES CODE**TITLE 2, THE CONGRESS****CHAPTER 19—CONGRESSIONAL AWARD PROGRAM****Subchapter I—Congressional Award Program**

* * * * *

SEC. 802. BOARD ORGANIZATION.

(a) * * *

(b) IMPLEMENTATION REQUIREMENTS FOR BOARD.—In carrying out the Congressional Award Program, the Board shall—

(1) establish the standards of achievement required for young people to qualify as recipients of the medals and establish such procedures as may be required to verify that individuals satisfy such qualifications;

(2) designate the recipients of the medals in accordance with the standards established under paragraph (1) of this subsection;

(3) delineate such roles as the Board considers to be appropriate for the Director and Regional Directors in administering the Congressional Award, and set forth in the bylaws of the Board the duties, salaries, and benefits of the Director and Regional Directors;

(4) raise funds for the operation of the program; and

(5) take such other actions as may be appropriate for the administration of the Congressional Award Program.

No salary established by the Board [under paragraph (3)] shall exceed \$75,000 per annum, except that for calendar years after 1986, such limit shall be increased in proportion to increases in the Consumer Price Index.

(c) PRESENTATION OF AWARDS.—The Board shall arrange for the presentation of the awards to the recipients and shall provide for participation by Members of Congress in such presentation, when appropriate. To the extent possible, recipients shall be provided with opportunities to exchange information and views with Members of Congress [during] *in connection with* the presentation of the awards.

SEC. 803. BOARD ORGANIZATION.

(a) * * *

(b) TERMS OF APPOINTED MEMBERS; REAPPOINTMENT.—

[(1) Appointed members of the Board shall continue to serve at the pleasure of the officer by whom they are appointed, and (unless reappointed under paragraph (3)) shall serve for a term of 4 years.

[(2) For the purpose of adjusting the terms of Board members to allow for staggered appointments, the following distribution of Board terms shall take effect at the first meeting of the Board occurring after November 6, 1990:

[(A) Those members who have served 10 years or more, as of the date of such meeting, shall have an appointment expiring on a date 2 years from October 1, 1990.

[(B) Those members who have served for 6 months or less, as of the date of such meeting, shall have an appointment expiring on a date 6 years from October 11, 1990.

[(C) All other members shall apportion the remaining Board positions between equal numbers of 2 and 4 year terms (providing that if there are an unequal number of remaining members, there shall be a predominance of 4 year terms), such apportionment to be made by lot.

[(3)(A) Subject to the limitations in subparagraphs (B) and (C) of this paragraph, members of the Board may be reappointed, provided that no member may serve more than 2 consecutive terms.

[(B) Members of the Board covered under paragraph (2)(A) of this subsection shall not be eligible for reappointment to the Board. Members of the Board covered under subparagraphs (B) and (C) of paragraph (2) of this subsection may be reappointed for 1 additional consecutive 4 year term.

[(C) Members of the Board who serve as chairman of the Board shall not have the time during which they serve as chairman used in the computation of their period of service for purposes of this paragraph and paragraph (2).]

(b) *TERMS OF APPOINTED MEMBERS; REAPPOINTMENT.*—

(1) *Appointed members of the Board shall continue to serve at the pleasure of the officer by whom they are appointed, and (unless reappointed under paragraph (2)) shall serve for a term of 4 years.*

(2)(A) *Subject to the limitations in subparagraph (B), members of the Board may be reappointed, except that no member may serve more than 2 full consecutive terms. Members may be reappointed to 2 full consecutive terms after being appointed to fill a vacancy on the Board.*

(B) *Members of the Board shall not be subject to the limitation on reappointment in subparagraph (A) during their period of service as Chairman of the Board and may be reappointed to an additional full term after termination of such Chairmanship.*

(3)(A) *Notwithstanding paragraph (1) or (2), the term of each member of the Board shall begin on October 1 of the even numbered year which would otherwise apply with one-half of the Board positions having terms which begin in each even numbered year.*

(B) *Subparagraph (A) shall apply to appointments made to the Board on or after the date of enactment of the Congressional Award Program Reauthorization Act of 2009.*

* * * * *

SEC. 804. ADMINISTRATION.

(a) * * *

* * * * *

(c) REQUIREMENTS REGARDING FINANCIAL OPERATIONS; NON-COMPLIANCE WITH REQUIREMENTS.—

(1) The Director shall, in consultation with the Board, ensure that appropriate procedures for fiscal control and fund accounting are established for the financial operations of the Congressional Award Program, and that such operations are administered by personnel with expertise in accounting and financial management. Such personnel may be retained under contract. In carrying out this paragraph, the Director shall ensure that the liabilities of the Board do not[, for any calendar year,] *in any fiscal year* exceed the assets of the Board.

[(2)(A) The Comptroller General of the United States shall determine, for calendar years 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, and 2009, whether the Director has substantially complied with paragraph (1). The findings made by the Comptroller General under the preceding sentence shall be included in the first report submitted under section 807(b) 1 of this title after December 31, 1994.

[(B) If the Director fails to substantially comply with paragraph (1), the Board shall take such actions as may be necessary to prepare, pursuant to section 808 1 of this title, for the orderly cessation of the activities of the Board.]

(2)(A) The Comptroller General of the United States shall determine for each fiscal year whether the Director has substantially complied with paragraph (1). The findings made by the Comptroller General under the preceding sentence shall be included in the reports submitted under section 107(b).

(B) If the Director fails to substantially comply with paragraph (1), the Board shall instruct the Director to take such actions as may be necessary to correct such deficiencies, and shall remove and replace the Director if such deficiencies are not promptly corrected.

* * * * *

SEC. 806. POWERS, FUNCTIONS, AND LIMITATIONS.

(a) **GENERAL OPERATING AND EXPENDITURE AUTHORITY.—**Subject to such limitations as may be provided for under this section, the Board may take such actions and make such expenditures as may be necessary to carry out the Congressional Award Program, except that—

[(1) the Board shall carry out its functions and make expenditures with only such resources as are available to the Board from sources other than the Federal Government; and]

(1) the Board shall carry out its functions and make expenditures with—

(A) such resources as are available to the Board from sources other than the Federal Government; and

(B) funds awarded in any grant program administered by a Federal agency in accordance with the law establishing that grant program.

(2) the Board shall not take any actions which would disqualify the Board from treatment (for tax purposes) as an organization described in section 501(c)(3) of title 26.

(b) * * *

(c) STATEWIDE CONGRESSIONAL AWARD COUNCILS; ESTABLISHMENT, PURPOSES, DUTIES, ETC.—

(1) * * *

* * * * *

[(4) Each Statewide Council established pursuant to this section is authorized to receive public monetary and in-kind contributions, which may be made available to local boards to supplement or defray operating expenses. The Board shall adopt appropriate financial management methods in order to ensure the proper accounting of these funds.]

(4) *Each Statewide Council established under this section may receive contributions, and use such contributions for the purposes of the Program. The Board shall adopt appropriate financial management methods in order to ensure the proper accounting of these funds. Each Statewide Council shall comply with subsections (a), (d), (e), and (h) governing the Board.*

(d) CONTRACTING AUTHORITY.—The Board may enter into and perform such contracts as may be appropriate to carry out its business, but the Board may not enter into any contract which would obligate the Board to expend an amount greater than the amount available to the Board for the purpose of such contract during the fiscal year in which the expenditure is *to be* made.

(e) OBTAINING AND ACCEPTANCE OF NON-FEDERAL FUNDS AND RESOURCES; INDIRECT RESOURCES.—

(1) Subject to the provisions of paragraph (2), the Board may seek and accept funds and other resources to carry out its activities. The Board may not accept any funds or other resources which are—

(A) donated with a restriction on their use unless such restriction merely provides that such funds or other resources be used in furtherance of the Congressional Award Program or a specific regional or local program *or for scholarships*; and

(B) donated subject to the condition that the identity of the donor of the funds or resources shall remain anonymous. The Board may permit donors to use the name of the Board or the name “Congressional Award Program” in advertising.

* * * * *

[(i) ESTABLISHMENT, FUNCTIONS, ETC., OF PRIVATE NONPROFIT CORPORATION; ARTICLES OF INCORPORATION OF CORPORATION; COMPENSATION, ETC., FOR DIRECTOR, OFFICER, OR EMPLOYEE OF CORPORATION.—

[(1) The Board shall provide for the establishment of a private nonprofit corporation for the sole purpose of assisting the Board to carry out the Congressional Award Program, and shall delegate to the corporation such duties as it considers appropriate.

[(2) The articles of incorporation of the corporation established under this subsection shall provide that—

[(A) the members of the Board of Directors of the corporation shall be the members of the Board, and the Director of the corporation shall be the Director of the Board; and

[(B) the extent of the authority of the corporation shall be the same as that of the Board.

[(3) No director, officer, or employee of any corporation established under this subsection may receive compensation, travel expenses, or benefits from both the corporation and the Board.]

(i)(1) The Board shall provide for the incorporation of a nonprofit corporation to be known as the Congressional Award Foundation (together with any subsidiary nonprofit corporations determined desirable by the Board, collectively referred to in this title as the 'Corporation') for the sole purpose of assisting the Board to carry out the Congressional Award Program, and shall delegate to the Corporation such duties as it considers appropriate, including the employment of personnel, expenditure of funds, and the incurrence of financial or other contractual obligations.

(2) The articles of incorporation of the Congressional Award Foundation shall provide that—

(A) the members of the Board of Directors of the Foundation shall be the members of the Board, with up to 24 additional voting members appointed by the Board, and the Director who shall serve as a nonvoting member; and

(B) the extent of the authority of the Foundation shall be the same as that of the Board.

(3) No director, officer, or employee of any corporation established under this subsection may receive compensation, travel expenses, or benefits from both the Corporation and the Board.

* * * * *

SEC. 808. TERMINATION.

The Board shall terminate [October 1, 2009] *October 1, 2013.*